

Readington Township Affordable Housing

Planning Board and Township Committee
Informational Forum

March 12, 2018

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Historical Context

1975 Mount Laurel I

Each municipality has a constitutional obligation to provide affordable housing

1983 Mount Laurel II

Required creation of municipal obligations
Court approves Housing Plans

1985 Fair Housing Act

COAH created to administer FHA

1986-2014 COAH Rule Making

COAH administered the FHA and promulgated first, second and third round rules

Third Round History

2004 - 2013

3rd Round Rules

“Growth share” rules are adopted twice and overturned

2013

Supreme Court Decision

Invalidated methodology
Ordered new rules to be adopted

2014

COAH Fails to Adopt

COAH fails to adopt 3rd round rules

2014

FSHC Motion

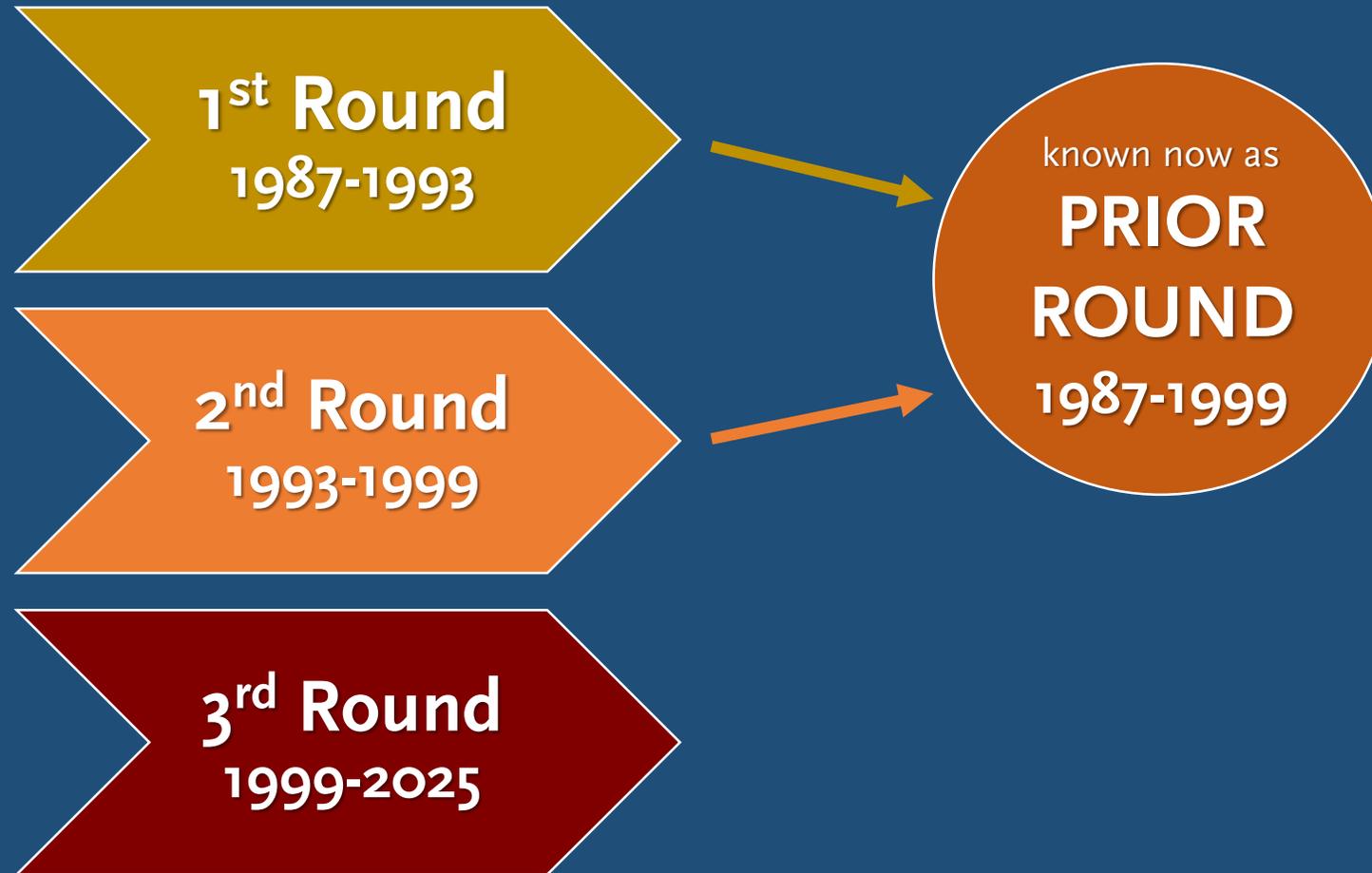
Fair Share Housing Center (FSHC) files motion to compel the State to adopt rules

2015

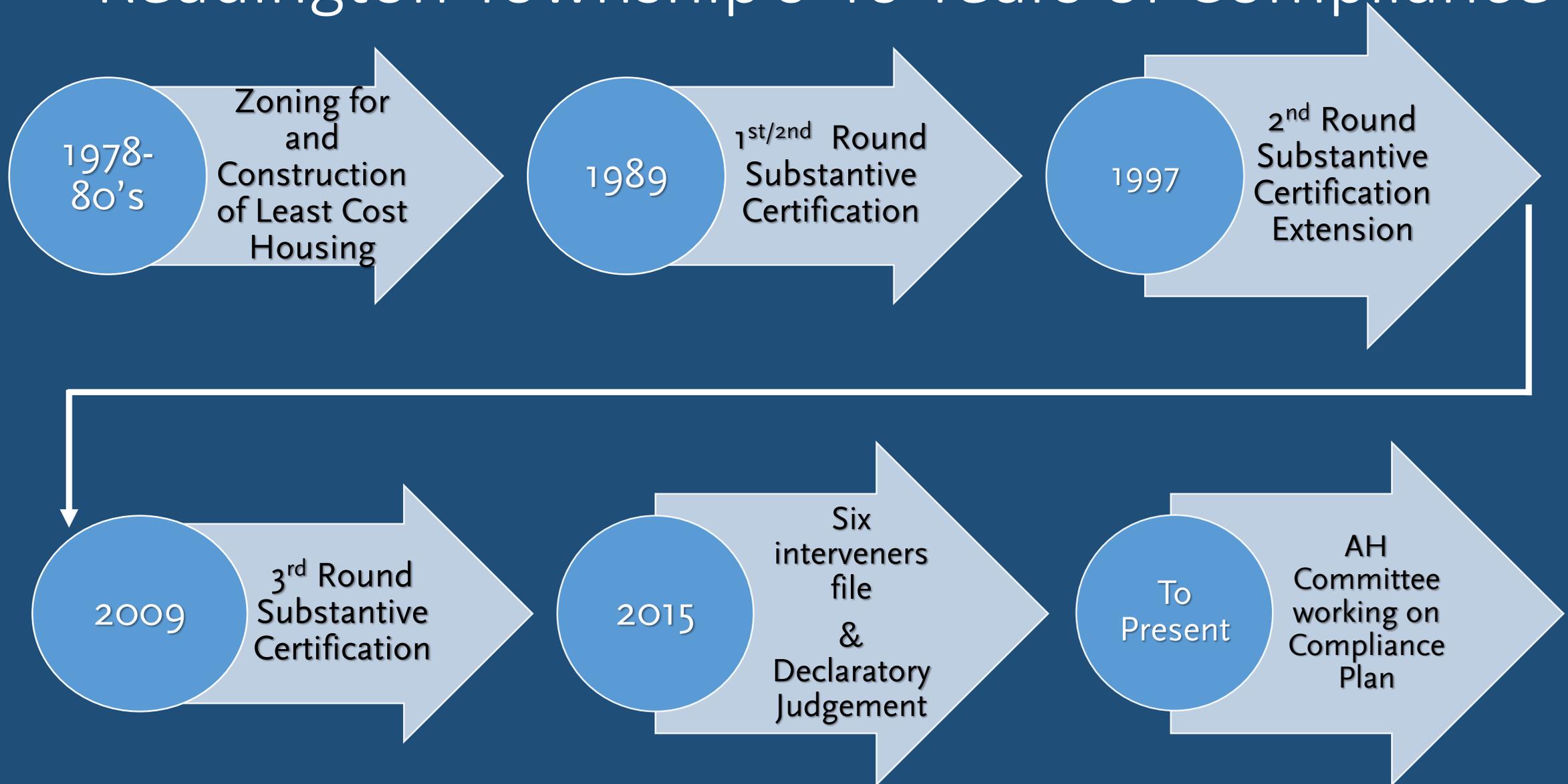
Mount Laurel IV

Supreme Court transfers approval of housing plans to Courts

COAH Rulemaking “Rounds”



Readington Township's 40 Years of Compliance



Who qualifies for Affordable Housing?

Based on 2017 Regional Median Income in
Hunterdon, Somerset & Middlesex Counties

| Maximum Household Income | | | | |
|-----------------------------------|----------|----------|----------|-----------|
| | 1 Person | 2 Person | 3 Person | 4 Person |
| Median <small>(reference)</small> | \$73,780 | \$84,320 | \$94,860 | \$105,400 |
| Moderate | \$59,024 | \$67,456 | \$75,888 | \$84,320 |
| Low | \$36,890 | \$42,160 | \$47,430 | \$52,700 |
| Very Low | \$22,134 | \$25,296 | \$28,458 | \$31,620 |

What is Affordable Housing?

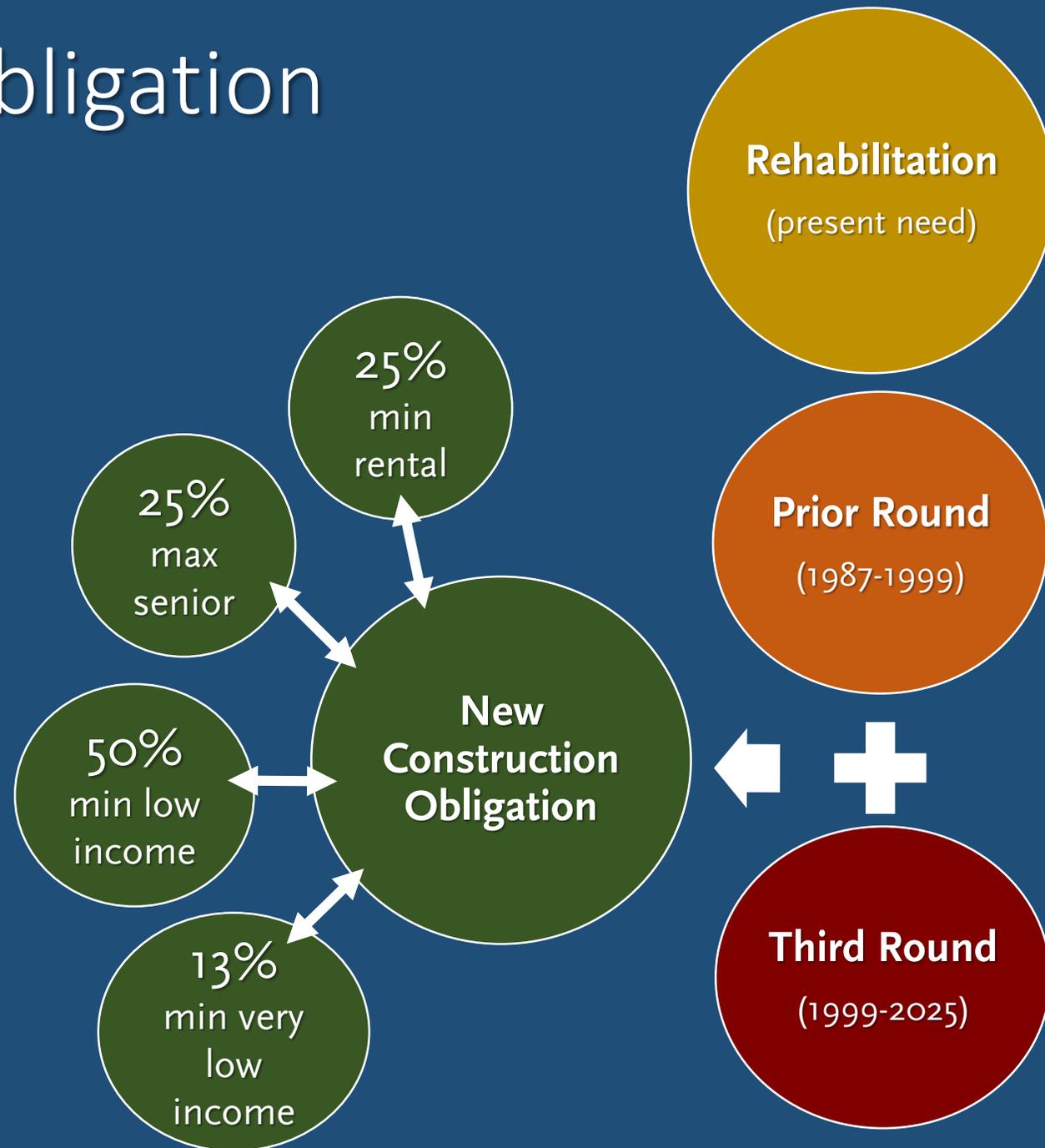
Affordable Home Sales Prices (illustrative) – Low - Moderate

- One-bedroom: \$95,000 - \$143,000
- Two-bedroom: \$114,000 - \$172,000
- Three-bedroom: \$131,000 - \$199,000

Affordable Rents (illustrative) – Very Low/Low - Moderate

- One-bedroom: \$600 - \$1,100
- Two-bedroom: \$700 - \$1,400
- Three-bedroom: \$800 - \$1,600

The Obligation



The Obligation

Three Calculations

Econsult

Reading

FSHC

Final
determination
by Court or
Settlement
with FSHC

Rehab.

Prior Round
(1987-1999)

Third Round
(1999-2025)

79 79 95

394 394 394

645 798 1,603

Satisfying the Obligation



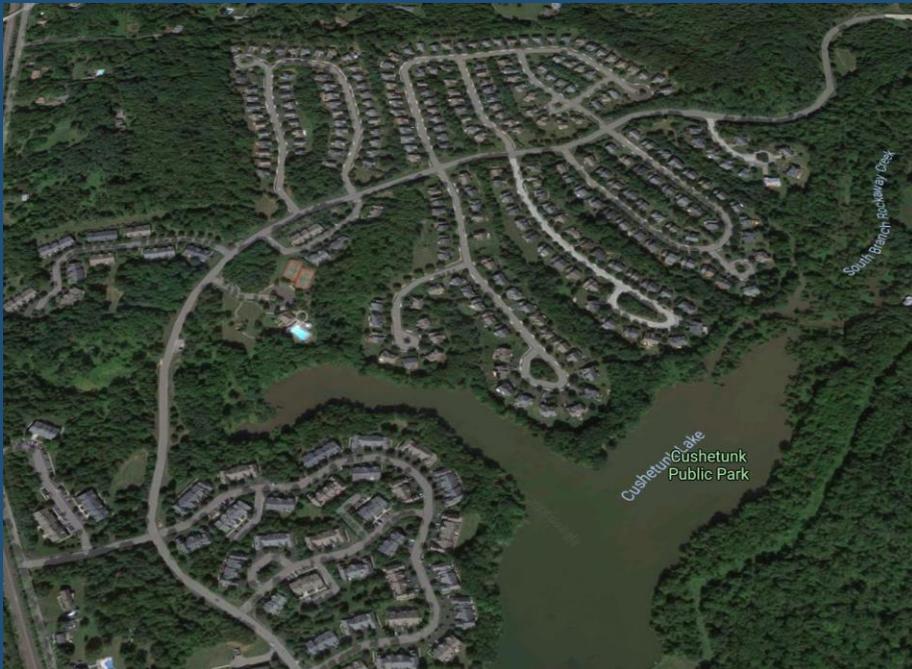
Satisfying the Obligation

What?

Zoning that requires market rate (MR) residential development to include affordable housing (AH).

Why?

To create mixed income neighborhoods that would not otherwise be created.



Benefits

- Developer responsibility
- Integrated affordable housing

Challenges

- Increased densities, units and land area
- Base set-aside (15-20%)

5 MR units = 1 AH is required

Satisfying the Obligation



- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls

Satisfying the Obligation

- **100% Affordable Development**
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls



Benefits

- Economies of scale
- Federal/State Funding
- Bonus credits for rental – 2 for 1
- Municipal control

Challenges

- Concentrated of AH units
- Funding is not guaranteed

Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls



Benefits

- Fulfills Large Need
- Infill Housing
- Credits by Bedroom

Challenges

- Increasing Costs

Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- **Market-to-Affordable**
- Accessory Apartments
- Extension of Expiring Controls



Benefits

- Use of existing housing stock
- Integrated throughout Twp
- Remedy for vacant homes

Challenges

- Cost based on market conditions
- Credit Cap
- Management of rental units

Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- **Accessory Apartments**
- Extension of Expiring Controls



Benefits

- Low Cost
- Integration within residential areas

Challenges

- Participation is limited
- Affirmative marketing
- Cost for adm. agent

Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls



Benefits

- Low cost
- Use of existing housing stock

Challenges

- Participation is voluntary

Satisfying the Obligation



- Credits without Controls
- Surplus Credits
- Rental Bonuses – 25% of obligation

Satisfying the Obligation

Rehabilitation: 79-95

- County Program - homeownership
- Township Program – rental

Prior Round: 394

- RCA – funds transferred
- Group Homes – Existing - completed
- Inclusionary family for sale – completed
- 100% Affordable senior and family rental units – completed
- Credits without Controls - proposed

Satisfying the New Construction Obligation

Utilize Existing Stock of Housing

- Extension of Controls
- Surplus Credits
- Group Homes
- Market to Affordable

New Programs/Sites

- Inclusionary Housing
- 100% Affordable Development

Housing Element/Fair Share Plan

